

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE CITY COUNCIL OF THE CITY OF ST. PAUL

In the Matter of the License Application of  
Las Americas, Inc. d/b/a Las Americas,  
Inc. for the Premises located at 178  
Concord Street in St. Paul

**FINDINGS OF FACT,**  
**CONCLUSIONS AND**  
**RECOMMENDATION**

The above-entitled matter came on for hearing before Administrative Law Judge George A. Beck, serving as hearing officer for the St. Paul City Council on July 5, 2000 at 1:30 p.m. in Room 41, St. Paul City Hall, Ramsey County Courthouse. The record closed at the conclusion of the hearing.

Virginia D. Palmer, Assistant City Attorney, 400 City Hall, 15 West Kellogg Blvd., St. Paul, MN 55102, appeared on behalf of the Office of License, Inspections and Environmental Protection (LIEP). Jordan S. Kushner, Attorney at Law, 529 South Seventh Street, Suite 636, Minneapolis, MN 55415, appeared representing Las Americas, Inc.

**NOTICE**

This Report is a recommendation, not a final decision. The St. Paul City Council will make the final decision after a review of the record and may adopt, reject or modify these Findings of Fact, Conclusions and Recommendation. Under Section 310.05(c)(c-1) of the City's Legislative Code, the City Council will provide the applicant the opportunity to present oral or written argument to the City Council before it takes final action. Parties should contact the St. Paul City Council to determine to the procedure for presenting argument.

**STATEMENT OF ISSUE**

Should this application for a currency exchange license be approved by the St. Paul City Council?

Based upon all of the proceedings herein, the Administrative Law Judge makes the following:

**FINDINGS OF FACT**

1. On May 16, 2000 the Department of Commerce forwarded an application for a currency exchange license to the City of St. Paul. The application had been submitted to the Department by Odelia Ortega, to operate a currency exchange

business at 178 Concord Avenue in St. Paul. The application indicates that the name of the currency exchange will be Las Americas, Inc., which is a Minnesota corporation.<sup>[1]</sup>

2. A search of criminal history filed by the Minnesota Bureau of Criminal Apprehension found no record for Odelia Ortega.<sup>[2]</sup>

3. The proposed location for the currency exchange is not within one-half mile of another licensed currency exchange.

4. The currency exchange is proposed to be located in a grocery store already operated by Las Americas, Inc. at the proposed location.

5. The operation of a currency exchange at the proposed location is consistent with the St. Paul Zoning Code.

6. The proposed location is in compliance with the fire and health requirements of the City of St. Paul.

7. The grocery store at the proposed location is the primary business at that location, although it also offers other services such as check cashing and Western Union. Approximately 98% of the customers are Hispanic and many do not speak English.

8. At the present time the grocery store at the proposed location is able to cash checks under state law if the fee is less than 1%.

9. There are approximately 11 businesses within one mile of the proposed location that can cash checks, including a community bank.<sup>[3]</sup>

10. Upon receipt of the application from the Department of Commerce the City provided notice of the application to community organizations. In a letter dated June 12, 2000 the president of the Riverview Economic Development Association (REDA) advised the City that it was objecting to the issuance of the currency exchange license.<sup>[4]</sup>

11. On June 26, 2000 the City issued a Notice of Hearing on the application which set a hearing for July 5, 2000.<sup>[5]</sup>

12. The Notice of Public Hearing was published in the St. Paul Legal Ledger on June 29, 2000.<sup>[6]</sup>

13. The Board of Directors of REDA objects to granting the license because it believes that a check cashing business does not fit in with the desired retail categories in the business area.<sup>[7]</sup> REDA believes there are adequate check cashing opportunities in the district and that adding another one may increase criminal activities such as robbery or money laundering.<sup>[8]</sup>

14. REDA's concerns do not include any concern about Mr. or Ms. Ortega.

15. In a letter dated June 22, 2000 the West Side Citizens Organization advised the City that its building and land use committee was recommending the denial of the license because it believes that there are ample opportunities for people to exchange currency in the area, and that the license does not fit into the community's plan for development.<sup>[9]</sup>

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

### CONCLUSIONS

1. The City Council of the City of St. Paul and the Administrative Law Judge have jurisdiction in this matter pursuant to Minn. Stat. § 14.55 and the St. Paul Legislative Code §§ 310.05, 310.06 and 381.02.

2. The City of St. Paul has fulfilled all relevant substantive and procedural requirements of law and rule.

3. The City of St. Paul has given proper notice of the hearing in this matter including proper notice in accordance with the requirements set forth in Minn. Stat. Ch. 53A and § 381 of the Legislative Code of the City of St. Paul.

4. The applicant has complied with the application requirements set out in law.

5. St. Paul Legislative Code Section 381.03(b)(4)(i) provides that a currency exchange license may be disapproved if:

The location of a new currency exchange as proposed would cause significant adverse consequences or impacts upon the neighborhoods within three hundred (300) feet of the exchange. Such anticipated effect must be shown by clear and convincing evidence.

6. That the record in this matter does not show by clear and convincing evidence that the location of the proposed currency exchange would cause significant adverse consequences or impacts upon the neighborhood.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

### RECOMMENDATION

IT IS HEREBY RESPECTFULLY RECOMMENDED: That the St. Paul City Council approve the currency exchange license application of Las Americas, Inc. for the premises located at 178 Concord Street in St. Paul.

Dated this 7th day of July 2000.

S/ George A. Beck

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GEORGE A. BECK

Administrative Law Judge

Reported: Taped, No Transcript Prepared.

### NOTICE

Pursuant to Minn. Stat. § 53A.04, the St. Paul City Council is required to forward its approval or disapproval of the license application to the Commissioner of Commerce of the State of Minnesota for the Commissioner's approval or disapproval. If the application is denied, the Commissioner shall mail notice of the denial and the reason therefor to the applicant. The applicant, upon denial, may request a further hearing as provided for in Minn. Stat. § 53A.04(b).

### MEMORANDUM

A hearing in this matter was scheduled due to objections to the currency exchange license application by the Riverside Economic Development Association and the West Side Citizens Organization. Their specific objections are set out at Findings of Fact Nos. 13-15. LIEP staff testified that the application satisfied the technical requirements of statute and legislative code. The legislative code also provides, however, that the location of a new currency exchange can be disapproved if it would cause significant adverse consequences or impacts on the neighborhoods within 300 feet of the exchange. The Legislative Code sets out a stringent burden of proof for those attempting to show significant adverse consequences-such an effect must be shown by clear and convincing evidence.

Both of the objecting organizations made it clear that they do not object to Mr. or Mrs. Ortega. They operate 10 grocery stores in the metropolitan area and provide significant services to the Hispanic community. The organizations object, rather, to the nature of the business and are concerned that it may cause an increase in crime. They also believe that opportunities currently exist to cash checks.

The concerns presented by the organizations do not amount to a showing of significant adverse consequences by clear and convincing evidence. The concern about criminal activity is speculative. The record shows that check cashing opportunities in the neighborhood will not be a new service. The license will permit the applicant to charge somewhat higher fees but it will also be accompanied by regulation by the Minnesota Department of Commerce that should ameliorate some of the concerns expressed. As the applicant pointed out, the currency exchange will not be the primary function at this location and it is likely better to have such a license contained within a grocery store than in a stand alone facility. The record does not

indicate that there have been any complaints about the existing check cashing service at Las Americas, Inc.

Accordingly, it is recommended that the City Council approve the license application.

G.A.B.

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<sup>[1]</sup> Ex. 1.

<sup>[2]</sup> Ex. 1.

<sup>[3]</sup> Ex. A.

<sup>[4]</sup> Ex. 2.

<sup>[5]</sup> Ex. 3.

<sup>[6]</sup> Ex. 5.

<sup>[7]</sup> Ex. 2.

<sup>[8]</sup> Ex. A.

<sup>[9]</sup> Ex. B.